IN THE NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI BENCH, COURT-III

CP- 837/55/ND/2019

IN THE MATTER OF CP-837/55/ND/2019:

M/s GLOBAL VECTRA HELICORP LIMITED.
Having its registered office at:
A-54, Kailash Colony New Delhi-110 048 **..... Petitioner**

Order Pronounced On: 24.08.2026

CORAM:

SHRI BACHU VENKAT BALARAM DAS, HON'BLE MEMBER (JUDICIAL)

SHRI RAVINDRA CHATURVEDI, HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Applicant	:	Mr. Ashutosh Gupta, Mr. Ajitesh Kumar, Advs.
For SEBI	:	Mr. Dhaval Mehrotra, Ms. Aditi Desai, Advs.

ORDER

PER: BACHU VENKAT BALARAM DAS, MEMBER (JUDICIAL)

1. This application has been filed under Section 55(3) of the Companies Act seeking the following prayers:

a) *"To further issue 65,93,490 (Sixty Five Lakhs Ninety Three Thousand Four Hundred Ninety) 5.46% Non-Convertible Cumulative Redeemable Preference shares of face value 100/- (Rupees Hundred only) each of the Company issued at a price of 100/- (Rupees Hundred only) each i.e. at a nominal value of 100/- (Rupees Hundred only) per share in place of unredeemed 65,93,490 5.46% Non-Convertible Cumulative Redeemable Preference Shares of face value of Rs. 100/- each; and/or;*

b) *Such further order or orders for the relief and compounding of offence be made, as the Hon'ble National Company Law Tribunal may deem fit and proper."*

2. The brief facts of the case as stated in the petition are narrated herein below:

i. M/s Global Vectra Helicorp Limited (Petitioner Company), having its registered office at A-54 Kailash Colony New Delhi 110048 was incorporated on 13.04.1998 under the Companies Act 1956 with Registrar of Company (RoC), N.C.T of Delhi and Haryana.

ii. The Petitioner Company has allotted 65,93,490 (Sixty Five Lakhs Ninety Three Thousand Four Hundred Ninety) 5.46% Non-Convertible Cumulative Redeemable Preference shares of face value Rs. 100/- (Rupees Hundred only) each of the Company issued at a price of Rs.100/- (Rupees Hundred only) each i.e. at a nominal value of Rs. 100/-(Rupees Hundred only) per share on 27.12.2010 to M/s Vectra Limited, a Company incorporated under the laws of United Kingdom which was due for redemption on 26.12.2017. However the Petitioner Company was not in a Position to Redeem the Preference Share on due date due to financial viability. Further it is pertinent to mention that there is no due and pending dividend on the said preference shares.

iii. The Petitioner Company approached this Tribunal on 27.12.2017 and filed a petition i.e., Company Petition No. 6/55(3)/ND/2018, under Section 55(3) of the Act. During the hearing of the CP No. 6/55/(3)/ND/2018, inadvertently and unintentionally some incurable error crept in the petition filed by the petitioner. Therefore Company was having no option other than to withdraw the same and file fresh. Company Petition No. 6/55(3)/ND/2018 was dismissed as withdrawn vide order dated 15.10.2018, the relevant part of order dated 15.10.2018 is reproduced below:

> *"Learned Counsel for the petitioner as well as Ld. Counsel for the Bombay Stock Exchange (BSE) are present and it is represented that BSE has filed its observations in relation to the petition. However, in view of the objections raised by BSE about the maintainability of the petition, Ld. Counsel for the petitioner*

upon instructions from the petitioner seeks to withdraw this petition. Taking into consideration the fact that this matter is pending since long before this Tribunal, withdrawal of the petition is allowed subject to imposition of cost of Rs.10,000/- to be deposited in the "Prime Minister's National Relief Fund" within a week from today. With the above directions and subject to compliance, the ***petition is dismissed as withdrawn****."*

iv. It is submitted that the Petitioner Company again requested to the unredeemed Preference Share holder to allow the Company to roll over the same preference share again for another term of 10 years (w.e.f. 26.12.2017) with provision for redemption after five years i.e. on or after 26.12.2022 till expiry of the term i.e. 26.12.2027. That in respect to the same notice was issued on 09th August, 2019 calling shareholder meeting on 26th September, 2019.

v. It is submitted that on 26th September, 2019 meeting of the shareholders took place wherein the proposed resolution for roll over and giving authority to the board for approaching this Tribunal was passed. Further NOC from the preference shares was also obtained on 16th May, 2019. Extracts of the minute of the meeting of the shareholders approving the further issue of shares in terms of Section 55 of the Act is annexed with the petition as ANNEXURE-P-4. The NOC of preference shareholders along with the request letter of the company is annexed with the petition as ANNEXURE -P-5.

vi. It is submitted that the terms of further preference shares would be as follows:

Non- Convertible Cumulative Redeemable Preference Shares (NCCRPS)

- Issue price: 65,93,490 (Sixty Five Lakhs Ninety Three Thousand Four Hundred Ninety) 5.46% Non-Convertible Cumulative Redeemable Preference shares of face value 100/-

(Rupees Hundred only) each of the Company issued at a price of 100/- (Rupees Hundred only) each i.e. at a nominal value of 100/- (Rupees Hundred only) per share;

- Rate of Dividend: Dividend rate will be 5.46% pa. (on the face value) which will remain fixed over the tenure of the NCCRPS;
- Cumulative: The NCCRPS will carry Cumulative dividend right;
- Tenure & Conversion / Redemption Terms: The amount on each NCCRPS shall be redeemable on the expiry of 10 (Ten) years from the date of rollover (i.e. Ten years from 26.12.2017) with an option to the Company / preference shareholder to redeem the same at any time after 26.12.2022 or on or before 26.12.2027;
- Priority with respect to payment of dividend or repayment of capital: The NCCRPS will carry a preferential right vis-a-vis equity 7 shares of the Company with respect to the payment of dividend and repayment of capital during winding up;
- Voting rights: The NCCRPS shall carry voting rights as prescribed under the provisions of the Companies Act. 2013.

3. **The Grounds for Relief as stated in the petition are narrated below**:

i. The Petitioner Company had been making honest efforts to redeem the preference share due. However due insufficient profit it is not able to redeem the preference shares as per its terms and conditions. Factum of the same can be ascertained from the profit of and loss of the company for the financial year 2016-17, 2017-18 and 2018-19. As per the profit and loss of the company for the financial year 2016-17, profit for the said year was INR 22,18,70,963/- only. However for redemption of the preference shares Company required at least INR 65,93,49,000. Further profit/(loss) for the next two year i.e. 2017-18 and 2018-19 was (INR 1,71,69,000/-) and INR 7,01,81,000/- Therefore the Petitioner Company has filed this petition seeking prayer under Section 55 of the Act for further issuing preference shares of equivalent amount.

ii. The Petitioner Company has already obtained necessary approval from the existing preference shareholder i.e. M/s Vectra Limited, in terms of Section 55 of the Act and the same can be validated from the NOC of the preference shareholder.

Brief Record of Proceedings

4. Vide order dated 03.07.2023, fresh notice was issued to RoC, RD and Bombay Stock Exchange. The relevant part of order dated 03.07.2023 is reproduced below:

> *"Issue fresh notice to RoC, RD and Bombay Stock Exchange.*
>
> *The Petitioner is directed to serve notice by all modes and file proof of service along with affidavit of service within one week. The Court Officer is also directed to send e-notice to these Authorities for their appearance on the next date of the hearing.*
>
> *We may record that despite notice being issued to these Authorities vide order dated 18.10.2019, they have chosen not to appear and file any reply till date.*
>
> *In case, no one appears and do not file any reply before the next date of the hearing, appropriate orders will be passed."*

5. Vide order dated 27.05.2024, The Petitioner Company was directed to give a clarity in terms of the redemption and reissuance of the preference shares which were to be redeemed from the year 2017 and whether they come under the category of Foreign Direct Investment or External Commercial Borrowing. The relevant part of order dated 27.05.2024 is reproduced below:

> *"Learned Counsel appears for the Petitioner. No one has appeared on behalf of the RoC and Bombay Stock Exchange. The right to file reply affidavit of Bombay Stock Exchange is closed.*
>
> *The Petitioner* ***is directed to give a clarity in terms of the redemption and reissuance of the preference shares which***

> ***were to be redeemed from the year 2017 and whether they come under the category of Foreign Direct Investment or External Commercial Borrowing and if so under which guidelines are they covered****. The Petitioner is directed to file an affidavit in this regard."*

6. In compliance of order dated 27.05.2024, the Petitioner Company has filed an affidavit the relevant part of which is reproduced below:

> *"6. Since the Company was not in a Position to Redeem the Preference Share on due date i.e. on 26th December, 2017 due to financial viability, the Preference Shareholder, on the request of Company, has allowed the Company to roll over the same preference share again for another term of 10 years (w.e.f. 26.12.2017) with provision for redemption after five years i.e. on or after 26.12.2022 till expiry of the term i.e. 26.12.2027.*
>
> *7. That the Company in terms of Section 55 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof, for the time being in force) had filed this petition seeking orders from this Hon'ble Tribunal to issue further redeemable preference shares of equivalent amount of preference shares due for redemption. It is relevant to mention herein that no divided is pending on the said preference shares.*
>
> *8. I state that there is no requirement of any prior approval from any statutory authority including but not limited to Reserve Bank of India. There are only post approval compliances which are required to be carried out by the Petitioner.*
>
> *9. I further state that as per Clause 6.2 of the FED Master Direction No. 5/2018-2019 dated 26.03.2019 issued by the Reserve Bank of India ("RBI"), any changes made by the Company in terms and condition of ECB in consonance with the ECB norms would only require the Company to communicate*

such changes to the Department of Statistics and Information Management ("DSIM") in revised form ECB. Bare extract of Clause 6.2 of the FED Master Direction No. 5/2018-2019 dated 26.03.2019 issued by the RBI is reproduced hereunder:

> *"6.2* ***Changes in terms and conditions of ECB:***
> *Changes in ECB parameters in consonance with the ECB norms, including reduced repayment by mutual agreement between the lender and borrower, should be reported to the DSIM through revised Form ECB at the earliest, in any case not later than 7 days from the changes effected. While submitting revised Form ECB the changes should be specifically mentioned in the communication. "*

10. I stated that as per approval given by the RBI while issuing aforesaid security, the Company is required to submit ECB return with the RBI in the form of post compliance i.e., after the approval of issuance of securities by this Hon'ble Tribunal. Relevant extract of the Approval letter issued by the RBI is reproduced hereunder:

"Further, the borrower is required to submit ECB-2 return in the format as prescribed vide; AP (DIR Series) Circular No. 60 dated January 31, 2004 on monthly basis giving the details of drawals, utilizations, repayment, conversion, redemption, other payments etc starting from December 2009. Further, if there is no transaction during a particular month, a 'NIL' ECB-2 return should be submitted; Any revision / modification of loan amount or schedule of disbursement / repayment / interest payment etc. should also be reported appropriately in ECB-2 return."

11. After reading of aforesaid provisions, it is humbly submitted that the Company is not required to re-obtain any approval of the RBI or any other Statutory Authorities before approval of *captioned petition by this Hon'ble Tribunal and is only required to submit Form ECB with DSIM after approval of the captioned petition, which the Petitioner undertakes to submit within the statutory timeline. A copy of the FED Master Direction No.5/2018-19 dated 26.03.2019 issued by the RBI is annexed herewith as Annexure-2.*

12. I state that the Company is required to do certain monthly compliances post issuance of the preference shares and in furtherance of the same, the Company is filing on monthly basis Form ECB 2 since 2010 i.e., from the date of allotment till date with the AD Bank for reporting of ECB under Foreign Exchange Management Act, 1999 in compliance of applicable laws, rules, regulations and ECB guidelines. The Certificate from Company Secretary is enclosed herewith as Annexure -3"

7. Bombay Stock Exchange was set ex parte vide order 21.10.2024. The relevant part of order dated 21.10.2024 is reproduced below:

"No one has appeared on behalf of Bombay Stock Exchange despite service of notice, therefore, Bombay Stock Exchange is set ex-parte.

List the matter for arguments on 09.12.2024."

8. Vide order dated 23.02.2026, this Tribunal, in view of the fact that, the shareholdings of the company are held by the foreign companies issued notice to the National Stock Exchange, Reserve Bank of India and Securities and Exchange Board of India. The relevant part of order dated 23.02.2026 is reproduced below:

"We have heard the submissions of Mr. Gaurav Rana, Ld. Counsel appearing on behalf of Petitioner.

During the course of the arguments, it is noticed that, even though, notices were issued to the RD and Bombay Stock Exchange, no response was filed by the Bombay Stock Exchange and consequently, the Bombay Stock Exchange was set ex-parte vide order dated 21.10.2024. However, ***keeping in view the fact***

> ***that, the shareholdings of the company are held by the foreign companies, we deem it appropriate to issue to the National Stock Exchange, Reserve Bank of India and Securities and Exchange Board of India.***
>
> *The Petitioner is directed to serve notice along with a copy of the application on the National Stock Exchange, Reserve Bank of India and Securities and Exchange Board of India by all modes and file proof and affidavit of service within one week.*
>
> *The National Stock Exchange, Reserve Bank of India and Securities and Exchange Board of India are directed to file reply/response, if any, within one week thereafter."*

9. Vide order dated 13.4.2026 the Petitioner was directed to file an affidavit stating that the Petitioner will abide by all guidelines of RBI. The relevant part of order dated 13.04.2026 is reproduced below:

> *"In compliance of the order dated 23.02.2025, the Petitioner has served notices along with a copy of the application on National Stock Exchange, Reserve Bank of India and Securities and Exchange Board of India by all modes and filed proof and affidavit of service.*
>
> *Ms. Aditi Desai, Learned Counsel appearing for the Securities and Exchange Board of India (SEBI) seeks time to take instructions. One week time granted.*
>
> *No one has appeared on behalf of the National Stock Exchange, Reserve Bank of India.*
>
> *Learned Counsel appearing for the Petitioner has submitted that the company is not listed on National Stock Exchange. The Petitioner shall file an affidavit stating that the Petitioner will abide by all guidelines of RBI."*

10. In compliance of order dated 13.04.2026, SEBI has filed an affidavit dated 27.04.2026 stating therein that in the present matter, the Non-Convertible Cumulative Redeemable Preference Shares being issued by the Petitioner company are not listed on any of the stock exchanges. Hence, in view of the SEBI Act along with rules and regulations framed thereunder including SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the said Non-Convertible Cumulative Redeemable Preference Shares do not fall under the purview of SEBI and its regulatory powers. The Relevant part of affidavit dated 13.04.2026, filed by SEBI is reproduced below:

> *"…….It is submitted that in terms of the powers and functions of SEBI under the SEBI Act along with the rules and regulations thereunder, SEBI has regulatory power only upon the entities/securities listed with the stock exchanges. Unlisted companies/securities do not come under the purview of SEBI and its regulatory powers.*
>
> *7. I state that in the present matter,* ***the Non-Convertible Cumulative Redeemable Preference Shares being issued by the Applicant company are not listed on any of the stock exchanges****. Hence, in view of the SEBI Act along with rules and regulations framed thereunder including SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021,* ***the said Non-Convertible Cumulative Redeemable Preference Shares do not fall under the purview of SEBI and its regulatory powers.****"*

11. In compliance of order dated 13.04.2026, the Petitioner Company has also filed an affidavit dated 22.04.2026, the relevant part of the said affidavit is reproduced below:

> *"3. In terms of order dated 13.04.2026 passed by this Hon'ble Tribunal,* ***the Petitioner Company undertakes it will abide by all guidelines of RBI in pursuance of Section 55 (3) of the Companies Act, 2013. It is further submitted that the Petitioner Company undertakes will abide by all the guidelines and law of SEBI and the Companies Act 2013 applicable on the Company to further issue of Non-Convertible Cumulative Redeemable Preference shares.***

4. *It is submitted that the Equity Shares of the Petitioner Company are listed on NSE and BSE, however, the Non-Convertible Cumulative Redeemable Preference shares which are subject matter of this Petition are not listed on any Stock Exchange. It is further submitted that the order dated 13.04.2026, inadvertently mentioned that the Company is not listed on National Stock Exchange, however, the Counsel for the Petitioner Company specifically mentioned and submitted that the Non-Convertible Cumulative Redeemable Preference shares in question are not listed on National Stock Exchange.*

5. *It is humbly submitted that this Hon'ble Tribunal vide order dated 18.10.2019 issued Notice to the ROC, RD and the Bombay Stock Exchange. Further, this Hon'ble Tribunal also stated that said Regulators are at liberty to file the objection/ representation, if any within 30 days from the date of the receipt of the Notice, failing which , it shall be presumed that they do not have any objection to the prayer made in their application. A copy of order dated 18.10.2019 is annexed herewith and marked as ANNEXURE-2.*

6. *It is pertinent to mention that if the present petition not allowed at the earliest, then the purpose of filing the present Captioned Petition will be defeated as already we are in year 2026 and the Present captioned Petition was made for rollover of Non-Convertible Cumulative Redeemable Preference shares till expiry of the term i.e.26.12.2027. Hence, in view of the same the present captioned Petitioned be allowed at the earliest."*

ANALYSIS AND FINDINGS

12. We have heard the submissions made by Ld. Counsels appearing on behalf of the parties and perused the records.

13. The matter was listed for clarification on 30.07.2026 and this Tribunal directed the Applicant to clarify whether as per Section 55(3), while redeeming any dividend was due and payable on the shares. Relevant part of order dated 30.07.2026 is reproduced below:

> *"The Applicant seeks in this application issuance of 65,93,490 (Sixty Five Lakhs Ninety Three Thousand Four Hundred Ninety) 5.46% Non-Convertible Cumulative Redeemable Preference shares*

of face value 100. Section 55(3) of The Companies Act, 2013 provides that:

"Where a company is not in a position to redeem any preference shares or to pay dividend, if any, on such shares in accordance with the terms of issue (such shares hereinafter referred to as unredeemed preference shares), it may, with the consent of the holders of three fourths in value of such preference shares and with the approval of the Tribunal on a petition made by it in this behalf, issue further redeemable preference shares equal to the amount due, including the dividend thereon, in respect of the unredeemed preference shares, and on the issue of such further redeemable preference shares, the unredeemed preference shares shall be deemed to have been redeemed: ………."

In this context the Applicant is required to clarify whether as per Section 55(3), while redeeming any dividend was due and payable on the shares. The Applicant is directed to file an affidavit to that effect, within a period of two weeks."

14. In compliance of order dated 30.07.2026, the Applicant has filed an affidavit dated 13.08.2026, the relevant part of which is reproduced below:

> *"3. That, in compliance with the aforesaid direction of this Hon'ble Tribunal, the Applicant submits that the dividend in respect of the 6,593,490 (5.46 %) Non- Convertible Cumulative Redeemable Preference Shares of Rs. 100/- each was waived by the holder thereof, i.e., Vectra Limited, United Kingdom, for the relevant periods.*
>
> *4. That in this regard, Vectra Limited, United Kingdom, vide its letter dated 26th December, 2017, confirmed that it had accepted the proposal for waiver of dividend in respect of the aforesaid Preference Shares for the period from 27.12.2010 to 26.12.2017 and further confirmed that the dividend pertaining to the said period was not due or payable by the Applicant Company to Vectra*

Limited, United Kingdom. A copy of the letter dated 26th December, 2017 is annexed herewith and marked as ANNEXURE 2.

5. That thereafter, Vectra Limited, United Kingdom, vide its letter dated 31st March, 2026, further confirmed that it had accepted the proposal for waiver of dividend in respect of the aforesaid Preference Shares for the period from 26.12.2017 to 31.03.2026 and specifically confirmed that the dividend pertaining to the said period was not due or payable by the Applicant Company to Vectra Limited, United Kingdom. A copy of the letter dated 31st March, 2026 is annexed herewith and marked as ANNEXURE 3.

6. That, accordingly, in view of the aforesaid waiver and confirmations issued by Vectra Limited, United Kingdom, there was no dividend due or payable in respect of the aforesaid Preference Shares at the time of redemption. Accordingly, no amount was payable by the Applicant Company towards dividend in respect of the said Preference Shares at the time of their redemption, in terms of Section 55(3) of the Companies Act, 2013."

15. At this juncture it would be apposite to refer to the relevant statutory, framework, Section 55(3) of The Companies Act, 2013 reads thus:

*"Where a company is not in a position to redeem any preference shares or to pay dividend, if any, on such shares in accordance with the terms of issue (such shares hereinafter referred to as unredeemed preference shares), **it may, with the consent of the holders of three fourths in value** of such preference shares and with the approval of the Tribunal on a petition made by it in this behalf, issue further redeemable preference shares equal to the amount due, including the dividend thereon, in respect of the unredeemed preference shares, and on the issue of such further redeemable preference shares, the unredeemed preference shares shall be deemed to have been redeemed:*

Provided that the Tribunal shall, while giving approval under this sub section, order the redemption forthwith of preference shares held by such persons who have not consented to the issue of further redeemable preference shares.

Explanation - For the removal of doubts, it is hereby declared that the issue of further redeemable preference shares or the redemption of preference shares under this section shall not be deemed to be an increase or, as the case may be, a reduction, in the share capital of the company."

Rule 9 of The Companies (Share Capital and Debentures) Rules, 2014

"Issue and Redemption of Preference Shares –

(1) A company having a share capital may, if **so authorised by its articles**, issue preference shares **subject to the following conditions**, namely:

a) The **issue of such shares has been authorised by passing a special resolution in the general meeting of the company**;

b) The <u>company, at the time of issue of such preference shares, has no subsisting default in the redemption of preference shares issued either before or on after the commencement of this Act or in payment of dividend due on any preference shares</u>"

16. It is observed that the petitioners have placed on record the following documents on record in support of the present petition: -

a. Extracts of the minutes of the Resolution passed by shareholders of the Petitioner Company at its 21st Annual General Meeting held on 26.09.2019, the relevant part of which is reproduced hereunder:

"***RESOLVED THAT*** *in accordance with the provisions of Sections 55 and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof, for the time being in force) and in accordance with the provisions of the Memorandum of Association and Articles of Association of the*

Company, the Listing Agreements entered into by the Company with the Stock Exchange(s) where the Company's shares are listed, subject to the approvals of the National Company Law Tribunal (NCLT), Government of India (GOI) and Reserve Bank of India (RBI), where necessary, and subject to the Regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India ("SEBI") or any other relevant authority from time to time to the extent applicable, and such other approvals, permissions and sanctions as may be considered necessary by the Board of Directors of the Company and subject to such conditions as such bodies or authorities may impose at the time of granting their approvals/consents /permissions /sanctions and which may be agreed to by the Board of Directors of the Company (the 'Board' which term shall include any Committee which the Board of Directors may have constituted or may hereafter constitute for the time being for exercising the powers conferred on the Board of Directors by this Resolution), consent of the members be and is hereby accorded to the Board to roll over 65,93,490 (Sixty Five Lakhs Ninety Three Thousand Four Hundred Ninety) 5.46% Non-Convertible Cumulative Redeemable Preference shares of face value 100/- (Rupees Hundred only) each of the Company issued at a price of 100/- (Rupees Hundred only) each i.e. at a nominal value of 100/- (Rupees Hundred only) per share allotted on 27.12.2010 to M/s Vectra Limited, a Company incorporated under the laws of United Kingdom which are due for redemption on 26.12.2017 to the intent that the said preference shares will be redeemed at a later date as hereafter stated;

***RESOLVED FURTHER THAT** the said Non-Convertible Cumulative Redeemable Preference Shares shall continue to carry same rights and value as originally issued."*

b. NOC of the preference shareholder i.e M/s Vectra Limited for issuance of preference shares.

17. On perusal of the Articles of Association (AoA) of the Petitioner Company it is apparent that clause 4 of the Articles of Association (AoA) empowers the Petitioner Company to issue Preference Shares. The relevant part of the said clause is reproduced below:

"4. Redeemable Preference Shares

(a) Subject to the provisions of Section 80 of the Act, the ***Company shall have the power by Ordinary Resolution to issue Preference Shares*** *which are or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.*

Provided that :

(i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend.

(ii) or out of the proceeds of a fresh issue of Shares made for the purpose of redemption;

(ii) no such shares shall be redeemed unless they are fully paid;

(iii) the premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account before the shares are redeemed;

(iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the capital redemption reserve account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the capital redemption reserve account were paid up share capital of the Company.

(b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.

(c) The redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its authorized Share Capital.

(d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue in pursuance of this clause.

Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.

(e) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares."

18. The RD has filed its representation/Affidavit dated 16.02.2021, along with report of RoC dated, the relevant part of which is reproduced below:

" 5. That as per Clause 5 of the Registrar of Companies, Delhi, it has been mentioned in the petition inter-alia that the Petitioner Company has allotted 65,93,490 5.46% Non-Convertible Cumulative Redeemable Preference Shares of face value 100 each of the Company on 27,112010 to m/s, Vectra Limited, accompany incorporate under the laws of United Kingdom which

was due for redemption on 26.12.2017. But company had not the preference share on due date on the ground of financial non-viability and had requested to allow to roll over the redemption of the same preference share for another term of 10 years (w.e.f. 26.12.2017) with an option for redemption after five years i.e. on or after 26.12.2022 or on before 26.12.2027 in terms of section 55(3) of the Companies Act, 2013.

6. That as per the report of Registrar of Companies the Petitioner Company has filed Annual Returns and Balance Sheets up to 31.03.2019. ***No prosecution has been filed & no inspection or investigation has been conducted in respect of the petitioner companies****.*

7. That this Directorate had issued a letter dated 20.07.2020 to the Petitioner Company asking them to provide authentication of the Consenter/No-Objection Certificate (NOC) obtained from the foreign body corporate Preference Shareholder viz. Vectra Limited of the United Kingdom and copy of Board Resolution in which such NOC has been taken on note with documentary evidence thereof. In this regard, the Petitioner Company vide its letter dated 11.11.2020 (Copy enclosed and marked as Annexure-C) has provided the Apostille copy of letter of acceptance of the proposal from Vectra Limited stating the amendment of the terms and condition for roll-over of Non-Convertible Cumulative Redeemable Preference Shares along with the copy of Board Resolution passed by the Board of Director of Vectra Limited, UK, in this regard. From the reply, it appears that the ***Petitioner Company has complied with the requirement of the provisions of Section 55(3) of the Companies Act, 2013."***

19. It is clearly apparent that the RD in its report/representation has expressly mentioned that the Petitioner Company has complied with the requirement of the provisions of Section 55(3) of the Companies Act, 2013 and no prosecution has been filed & no inspection or investigation has been conducted in respect of the petitioner companies.

20. In light of the above discussion it is apparent that :

a. Clause 4 of the Articles of Association (AoA) empowers the Petitioner Company to issue Preference Shares.

b. Resolution has been passed by shareholders of the Petitioner Company at its 21st Annual General Meeting held on 26.09.2019 for issuance of Non-Convertible Cumulative Redeemable Preference shares.

c. NOC has been provided by the preference shareholder i.e M/s Vectra Limited for issuance of preference shares.

d. RD in its report/representation has expressly mentioned that the Petitioner Company has complied with the requirement of the provisions of Section 55(3) of the Companies Act, 2013.

e. SEBI has filed an Affidavit dated 27.04.2026 stating that the Non-Convertible Cumulative Redeemable Preference Shares being issued by the Applicant Company are not listed on any of the stock exchanges and the said Non-Convertible Cumulative Redeemable Preference Shares do not fall under the purview of SEBI and its regulatory powers.

f. Petitioner Company has also filed an affidavit dated 22.04.2026, stating that the Petitioner Company undertakes to abide by all the guidelines of RBI in pursuance of Section 55 (3) of the Companies Act, 2013 and will abide by all the guidelines and laws of SEBI and the Companies Act 2013 applicable on the Company to further issue of Non-Convertible Cumulative Redeemable Preference shares.

21. Therefore having regards to the facts and circumstances of the case and the material placed on record, this Tribunal is of the view that the Petitioner Company has complied with the statutory mandates of Section 55(3) of the Companies Act, 2013, and in absence of any objections from regulatory authorities or stakeholders, the present petition deserves to be allowed. Accordingly, CP-837/2019 stands allowed.

Sd/-	**Sd/-**
(RAVINDRA CHATURVEDI)	**(BACHU VENKAT BALARAM DAS)**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**